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Attorneys for Ad Hoc Committee of Second Lien Noteholders

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	: Chapter 11
	:
MPM Silicones, LLC, <u>et al.</u> ,	: Case No. 14-22503 (RDD)
	:
Debtors.	: Jointly Administered
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**VERIFIED STATEMENT PURSUANT TO
BANKRUPTCY RULE 2019**

Milbank, Tweed, Hadley & M^cCloy LLP ("Milbank") hereby makes the following verified statement (the "Verified Statement") pursuant to rule 2019 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rule 2019") in connection with Milbank's representation of an ad hoc committee of certain holders (the "Ad Hoc Committee of Second Lien Noteholders") of those certain 9% Second-Priority Springing Lien Notes due 2021 and 9.5% Second-Priority Springing Lien Notes due 2021 (collectively, the "Second Lien Notes") issued pursuant to an Indenture, dated as of November 5, 2010, among Momentive Performance Materials Inc. ("MPM"), The Bank of New York Mellon Trust Company, N.A., as indenture trustee, and certain subsidiaries of MPM as guarantors thereto, in the chapter 11 cases of MPM Silicones, LLC and its above-captioned affiliated debtors-in-possession (collectively, the "Debtors");

1. In or around January 2014, the Ad Hoc Committee of Second Lien Noteholders retained Milbank to represent the Ad Hoc Committee of Second Lien Noteholders with respect to the Second Lien Notes. From time to time thereafter, certain holders of Second Lien Notes have joined the Ad Hoc Committee of Second Lien Noteholders.

2. As of the date of this Verified Statement, Milbank represents only the Ad Hoc Committee of Second Lien Noteholders and does not represent or purport to represent any entities other than the Ad Hoc Committee of Second Lien Noteholders in connection with the Debtors' chapter 11 cases. In addition, the Ad Hoc Committee of Second Lien Noteholders does not represent or purport to represent any other entities in connection with the Debtors' chapter 11 cases.

3. The members of the Ad Hoc Committee of Second Lien Noteholders hold disclosable economic interests or act as investment managers or advisors to funds and/or accounts that hold disclosable economic interests in relation to the Debtors. In accordance with Bankruptcy Rule 2019 and based upon information provided to Milbank by each member of the Ad Hoc Committee of Second Lien Noteholders, attached hereto as Exhibit A is a list of the names, addresses, and the nature and amount of all disclosable economic interests of each present member of the Ad Hoc Committee of Second Lien Noteholders in relation to the Debtors.

4. Nothing contained in this Verified Statement (or the exhibit hereto) should be construed as a limitation upon, or waiver of, any rights of any member of the Ad Hoc Committee of Second Lien Noteholders to assert, file, and/or amend any claim or proof of claim filed in accordance with applicable law and any orders entered in these cases.

5. Milbank reserves the right to amend this Verified Statement as necessary
in accordance with the requirements set forth in Bankruptcy Rule 2019.

Dated: May 13, 2014
New York, New York

MILBANK, TWEED, HADLEY & M^cCLOY LLP

By: /s/ Dennis F. Dunne
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*Attorneys for Ad Hoc Committee of Second Lien
Noteholders*

EXHIBIT A

<u>NAME</u>¹	<u>ADDRESS</u>	<u>NATURE AND AMOUNT OF DISCLOSABLE ECONOMIC INTERESTS</u>²
Ares Management LLC	2000 Avenue of the Stars, 12th Fl. Los Angeles, CA 90067	<u>Second Lien Notes</u> : \$55,300,000 9% Notes <u>PIK Notes</u> : ³ \$137,884,280.68
Aristeia Capital, LLC	136 Madison Avenue New York, NY 10016	<u>First Lien Notes</u> : ⁴ \$15,795,000 <u>1.5 Lien Notes</u> : ⁵ \$24,100,000 <u>Second Lien Notes</u> : \$65,360,000 9% Notes
Carlson Capital, L.P.	2100 McKinney Avenue, 18th Fl. Dallas, TX 75201	<u>Second Lien Notes</u> : €46,010,000 9.5% Notes <u>Subordinated Notes</u> : ⁶ \$10,000,000 (short position)
GSO Capital Partners LP	345 Park Avenue, 31st Fl. New York, NY 10154	<u>First Lien Notes</u> : \$2,600,000 <u>1.5 Lien Notes</u> : \$4,000,000 <u>Second Lien Notes</u> : \$76,800,000 9% Notes €10,400,000 9.5% Notes
Oaktree Capital Management, L.P.	333 South Grand Avenue, 28th Fl. Los Angeles, CA 90071	<u>1.5 Lien Notes</u> : \$16,657,000 <u>Second Lien Notes</u> : \$145,665,000 9% Notes €25,040,000 9.5% Notes

¹ Each entity on this Exhibit A is listed solely in its capacity as agent for certain investment funds and accounts or their respective subsidiaries that hold disclosable economic interests in the Debtors.

² To the best of Milbank's knowledge, the information included herein is accurate as of May 12, 2014.

³ The "PIK Notes" means that certain pay-in-kind unsecured 11% Senior Discount Note, due June 4, 2017, issued by Momentive Performance Materials Holdings Inc.

⁴ The "First Lien Notes" means those certain 8.875% First-Priority Senior Secured Notes due 2020 issued pursuant to an Indenture, dated as of October 25, 2012, among MPM Escrow LLC and MPM Finance Corp., as escrow issuers, The Bank of New York Mellon Trust Company, N.A., as indenture trustee, and certain subsidiaries of MPM as guarantors thereto.

⁵ The "1.5 Lien Notes" means those certain 10% Senior Secured Notes due 2020 issued pursuant to an Indenture, dated as of May 25, 2012, among MPM, The Bank of New York Mellon Trust Company, N.A., as indenture trustee, and certain subsidiaries of MPM as guarantors thereto.

⁶ The "Subordinated Notes" means those certain 11.5% Senior Subordinated Notes due 2016 issued pursuant to an Indenture, dated as of December 4, 2006, among MPM, Wells Fargo Bank, National Association., as indenture trustee, and certain subsidiaries of MPM as guarantors thereto.

<u>NAME</u> ¹	<u>ADDRESS</u>	<u>NATURE AND AMOUNT OF DISCLOSABLE ECONOMIC INTERESTS</u> ²
Pentwater Capital Management, LP	614 Davis Street Evanston, IL 60201	<u>1.5 Lien Notes:</u> \$14,470,000 <u>Second Lien Notes:</u> \$67,575,000 9% Notes €19,984,000 9.5% Notes
Third Avenue Management LLC	622 Third Avenue, 32nd Fl. New York, NY 10017	<u>Second Lien Notes:</u> \$64,850,000 9% Notes